

# Balance sheets

as at 31 March 2018

|  | Notes | Consolidated     |                  | Parent Company |                |
|--|-------|------------------|------------------|----------------|----------------|
|  |       | 2018<br>£'000    | 2017<br>£'000    | 2018<br>£'000  | 2017<br>£'000  |
| <b>Assets</b>  |       |                  |                  |                |                |
| <b>Non-current assets</b>  |       |                  |                  |                |                |
| Goodwill   | 14    | 51,372           | 51,372           | —              | —              |
| Other intangible assets  | 15    | 36,816           | 45,709           | —              | —              |
| Property, plant and equipment                                    | 16    | 122,928          | 106,323          | —              | —              |
| Investments  | 17    | 46               | 45               | 494,461        | 494,461        |
| Deferred tax assets  | 25    | 4,376            | 7,836            | —              | —              |
|  |       | <b>215,538</b>   | <b>211,285</b>   | <b>494,461</b> | <b>494,461</b> |
| <b>Current assets</b>  |       |                  |                  |                |                |
| Inventories  | 18    | 3,713            | 3,075            | —              | —              |
| Trade and other receivables                                      | 19    | 53,568           | 68,406           | 5              | 5              |
| Cash and cash equivalents  | 22    | 13,223           | 16,093           | —              | —              |
|  |       | <b>70,504</b>    | <b>87,574</b>    | <b>5</b>       | <b>5</b>       |
| <b>Total assets</b>  |       | <b>286,042</b>   | <b>298,859</b>   | <b>494,466</b> | <b>494,466</b> |
| <b>Liabilities</b>   |       |                  |                  |                |                |
| <b>Current liabilities</b>                                       |       |                  |                  |                |                |
| Trade and other payables   | 20    | (87,281)         | (110,917)        | —              | —              |
| Bank overdrafts  | 22    | —                | (5,903)          | —              | —              |
| Finance leases   | 23    | (1,722)          | (1,942)          | —              | —              |
| Provisions for other liabilities and charges                     | 24    | (471)            | (377)            | —              | —              |
| <b>Non-current liabilities</b>                                   |       |                  |                  |                |                |
| Trade and other payables   | 20    | —                | —                | (450)          | (450)          |
| Bank loans   | 21    | (73,821)         | (48,587)         | —              | —              |
| Retirement benefit obligation                                    | 29    | (7,507)          | (19,691)         | —              | —              |
| Deferred tax liabilities   | 25    | (8,016)          | (7,498)          | —              | —              |
| Finance leases   | 23    | (285)            | (2,094)          | —              | —              |
| Provisions for other liabilities and charges                     | 24    | (5,746)          | (1,962)          | —              | —              |
| <b>Total liabilities</b>   |       | <b>(184,849)</b> | <b>(198,971)</b> | <b>(450)</b>   | <b>(450)</b>   |
| <b>Net assets</b>  |       | <b>101,193</b>   | <b>99,888</b>    | <b>494,016</b> | <b>494,016</b> |
| <b>Equity</b>  |       |                  |                  |                |                |
| <b>Capital and reserves attributable to owners of the Parent</b> |       |                  |                  |                |                |
| Share capital  | 26    | 51,660           | 51,660           | 51,660         | 51,660         |
| Share premium account  |       | 353,231          | 353,231          | 353,231        | 353,231        |
| (Accumulated losses)/retained earnings <sup>1</sup>              |       | (303,698)        | (305,003)        | 89,125         | 89,125         |
| <b>Total equity</b>  |       | <b>101,193</b>   | <b>99,888</b>    | <b>494,016</b> | <b>494,016</b> |

1. Included within consolidated (accumulated losses)/retained earnings is profit after tax of £27.5 million (2017: £24.8 million) for the Group and £31.4 million (2017: £32.5 million) for the Parent Company.

The Notes on pages 87 to 120 are an integral part of these consolidated financial statements.

The financial statements on pages 82 to 86 were approved by the Board of Directors and authorised for issue on 8 June 2018.

They were signed on its behalf by:

**Bill Halbert**  
Chief Executive  
8 June 2018

**Jane Aikman**  
Chief Financial Officer

**KCOM Group PLC**  
Registered number: 2150618